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DIST 24 MAY 78

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1. MAY 1978,

ACCUSED PRESIDENT AUGUSTO P I N O C H E T,
GENERAL HERNAN B R A D Y, GENERAL RAUL B E N A V I D E S
AND GENERAL HECTOR O R O Z C O OF BETRAYAL, THAT
ALL OF THE FORENAMED WERE TO BLAME FOR THE PRESENT DELICATE
INTERNATIONAL SITUATION IN WHICH CHILE FINDS ITSELF AS A RESULT
OF THE LETELIER INVESTIGATION.

2. MOREOVER, THERE IS NOW A SERIOUS
MORALE PROBLEM IN THE ARMY BECAUSE YOUNGER OFFICERS WERE NO
LONGER CERTAIN THAT THEY COULD DEPEND ON THE SUPPORT OF
SUPERIOR OFFICERS FROM WHOM THEY RECEIVED ORDERS. ADDITIONALLY,

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THE INTELLIGENCE SERVICES HERE NOW PUTRIFYING AS A RESULT OF THIS SITUATION.

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3. ACCORDING TO [REDACTED] GENERAL (R) MANUEL CONTRERAS, FORMER DINA DIRECTOR, WAS THE ONLY SENIOR OFFICER INVOLVED IN THE LETELIER CASE WHO CONTINUED TO ACT IN THE BEST TRADITION OF THE CHILEAN ARMY OFFICER CORPS. CONTRERAS HAD REFUSED TO ALLOW A SUBORDINATE OFFICER TO ACCEPT THE BLAME FOR SOMETHING THAT HE, CONTRERAS, HAD ORDERED DONE. FOR THIS REASON, THE YOUNGER OFFICERS THROUGHOUT THE ARMY AND ESPECIALLY IN THE PUNTA ARENAS AREA WERE STRONGLY BEHIND CONTRERAS AND HAD OFFERED TO SUPPORT HIM IN THE EVENT OF DIFFICULTY.

4. [REDACTED] THERE IS PRESENTLY A GROUP OF YOUNGER OFFICERS IN THE SANTIAGO AREA WHO HAVE NEVER BEEN CONNECTED WITH DINA WHO HAVE ORGANIZED THEMSELVES TO CONDUCT SURVEILLANCE ON GENERAL CONTRERAS FOR THE PURPOSE OF INTERVENING IN THE EVENT CONTRERAS IS FACED WITH DIFFICULTY. [REDACTED] THERE ARE A NUMBER OF FORMER DINA OFFICERS ON FURLOUGH AT THE MOMENT WHO ARE TRAVELING THROUGHOUT THE COUNTRY CONTACTING FRIENDS IN VARIOUS MILITARY UNITS IN AN EFFORT TO ORGANIZE SUPPORT FOR CONTRERAS FROM AMONG THE OFFICER CORPS. [REDACTED] THAT THE OVERALL IMPRESSION THESE FORMER DINA OFFICERS HAVE RECEIVED IS THAT THERE IS WIDESPREAD DISSATISFACTION IN THE OFFICER CORPS WITH THE PRESIDENT AND HIS GROUP OF MINISTERS

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6.

██████████ HAT IN LATE APRIL A FORMER MEMBER OF FDINA, LT. COLONEL CARLOS MORALES, WHO IS ALSO STATIONED IN PUNTAS ARENAS, WAS CALLED TO SANTIAGO TO MAKE A STATEMENT REGARDING THE WILLIAMS AND ROMERAL FALSE PASSPORTS. AFTER

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MORALES HAD NOT BEEN HEARD FROM FOR SEVERAL DAYS, A DELEGATION OF 20 OFFICERS IN THE GRADES OF MAJOR AND BELOW, WENT TO TALK TO GENERAL NILO F L O O D Y TO INQUIRE ABOUT MORALES' SITUATION. GENERAL FLOODY SENT A MESSAGE TO THE MINISTER OF DEFENSE ASKING FOR INFORMATION ON MORALES' STATUS. SHORTLY A MESSAGE WAS RECEIVED FROM THE DEFENSE MINISTRY STATING THAT MORALES WOULD BE RELEASED FROM QUESTIONING SHORTLY AND ALLOWED TO RETURN TO PUNTA ARENAS, THE 20 OFFICER DELEGATION WAS NOT SATISFIED WITH THE REPLY AND REFUSED TO LEAVE UNTIL THEIR SPOKESMAN WAS ALLOWED TO TALK WITH MORALES BY TELEPHONE. AFTER CONFERRING WITH MORALES BY TELEPHONE, THE 20 OFFICERS DEPARTED FLOODY'S OFFICE.

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7. [REDACTED]

[REDACTED] MID-MAY 1978 THAT GENERAL CONTRERAS HAD SHIPPED A LARGE NUMBER OF SUITCASES OUT OF PUNTA ARENAS TO AN UNKNOWN EUROPEAN DESTINATION ON A SHIP NAMED "BANNESTEIN" ON 20 APRIL 1978. [REDACTED] THAT THE SUITCASES WERE SHIPPED UNDER ANOTHER NAME BUT CONTRERAS WAS THE REE TO ARRANGE FOR THE SHIPMENT.

8. [REDACTED]

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9. [REDACTED]

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